

Dr. Peterson

The First Decade of Innovation: Tech Square 10th Anniversary

Thursday, Oct. 17, 2013

Thank you. I would like to thank Chancellor Huckaby for the enthusiastic support we receive from the University System on our work to create an innovation ecosystem. I would also like to thank our panelists. Hearing from their various perspectives gives us a snapshot of the exciting things that are happening here, the power of partnership, and the potential for the future.

We owe a debt of gratitude to Wayne Clough, along with dozens of others who had both the vision and perseverance to turn what was a blighted area with underdeveloped real estate, vacant lots and barbed wire into what is now one of the leading innovation ecosystems in the Southeast. We will talk about the history of Tech Square, and then look at future plans.

GEORGIA TECH FOUNDATION

The Georgia Tech Foundation was, and continues to be, instrumental in helping Georgia Tech turn visions into reality. We have a number of members of the Georgia Tech Foundation with us today. Would all of you please stand? Thank you. I would like to recognize Jim Lientz, the current Foundation chair, along with Al Trujillo, president and COO.

Five former Foundation chairs led the organization during the visionary and implementation phases of Tech Square. Several of them were going to try to join us today. As I call your name would you please stand and be recognized? Charlie Brown was hoping a meeting would end on time so that he could come. Charlie, are you here? John Staton is here with us today. John, would you please stand? Not able to join us were Julian LeCraw and A.J. Land. Also, I would like for us to give a warm welcome to Mary Ann Stith, who along with her husband Buck provided steady support

for this project. And finally, John Carter, president and COO of the Georgia Tech Foundation for 15 years.

TECH SQUARE, 10TH ANNIVERSARY

Tech Square is five city blocks, including a unique complex of academic, retail, and research space. In 2006 the Georgia Department of Transportation completed renovations to the 5th Street Bridge, tripling the width and creating a park-like setting for pedestrians as they walk between Tech Square and the main campus.

The Georgia Tech Hotel and Conference Center and the adjacent Global Learning Center where we are today provide a place for lifelong learning and problem solving. Our professional education program, which had been scattered around campus, now has a home in the Conference Center.

The College of Management, now the Scheller College of Business was relocated, and it has flourished in its Tech Square location. The Centergy One office complex and the Tech Square Research Building provide an inviting environment for innovators and entrepreneurs.

The area looks like a Georgia Tech hall of fame. If you look on one side of 5th Street, you will see Tin Drum, the world's smallest Walmart, Waffle House and Game Stop, all with Georgia Tech graduates as leaders.

TECH SQUARE, GROUNDBREAKING

We are grateful to those who saw the potential of Technology Square before the first shovel full of dirt was moved. There are too many to mention, but I would like to talk about one of them, Harry Hammond "Buck" Stith Jr. He is on the far right in this photo from the groundbreaking in August 2002. Also included are Hilton Howell, former chairman of the Board of Regents, former Lieutenant Governor Mark Taylor, former

Atlanta Mayor Bill Campbell, Wayne Clough, Susan Mendheim, then CEO & Pres. of Midtown Alliance, and Buck. He is the one with the hard hat on backwards!

Buck was a 1958 CE Georgia Tech graduate, and a successful Atlanta businessman. He served as a trustee of the Georgia Tech Foundation from 1994 to 2004, including serving as Foundation Chair from 2001 to 2003. His unwavering leadership is one of the reasons we have Tech Square today. He lobbied to go forth with the project after 9/11, and led the Foundation through the building years.

During the late 1990s, with the enthusiastic support of a small group of visionary alumni and other donors, the Georgia Tech Foundation purchased approximately eight acres to the south of Fifth Street for \$11.9 million. (The project's footprint has since grown to 13 acres.) Philanthropic support for the project among a broader group of alumni and friends took off from there, ultimately enabling Tech Square to become a reality.

BRINGING PLANS TO LIFE

Buck made some comments during the grand opening of the Georgia Tech Hotel in September 2003, that I think you will enjoy. Buck shared that early in Wayne Clough's presidency in the mid 1990's he had asked the Foundation to buy up to \$60 million in land on the south, west and north sides of campus for expansion. The request to "jump the connector" was an "add on" at a Georgia Tech Foundation meeting.

Buck explained the initial proposal to the Georgia Tech Foundation in his remarks:

"At our annual meeting at The Cloister in Sea Island, after a long Executive meeting involving budgets, forecasts, fund-raising, all the problems associated with an institution faced with a growing student body, new disciplines, expanding physical needs on a campus that was essentially land-locked, our Chairman, Charlie Brown, said the four most feared words any executive, manager, leader

or entrepreneur can hear - "Oh, by the way..."When you hear these words, look out! So Charlie said, "Oh, by the way, I've got an option on some old, worn-out buildings with some land growing up in weeds over across the interstate on 5th Street near The Biltmore. Charlie persuaded us that this was "thinking outside the box" and, after much discussion, we bought it - with absolutely no plan for its use.

But Bob Thompson, chief administrative and financial officer for Georgia Tech, who is faster than a Corvette away from a traffic light and who never saw any property within a 5-mile radius that wasn't extremely strategic and valuable to Georgia Tech, said 'Let's hire Jones Lang LaSalle to help us develop the most efficient use of this property.' Hundreds and hundreds of thousands of dollars later, thousands and thousands of man-hours donated by the 50+ Foundation members and Georgia Tech administration and financial staff, numerous pro formas, analysis, and finally synthesis, when finally all the parts were assembled to form the whole, Technology Square - an exciting, energetic, vibrant new campus - was **conceived** by Tech graduates, **designed** by Tech graduates – like Tom Ventulett - and **built** by Tech graduates – like Earl Shell and Tommy Holder - and is today a reality.”

In April 2009, shortly before he passed away, Buck gave a speech about Charlie Brown, talking about how he talked the Foundation into investing in the land where we are now.

When asked at the meeting, “What are you going to do with it?” Charlie answered that he didn’t know what we would do with it, but we got it cheap! Buck commented that “Three chairmen later, Tech Square opened as a beautiful new East Campus at no cost to the state, no cost to the school, financed by all bonds — over \$200 million. Charlie was so far-sighted when there was nothing there but trash and old vines

growing. Charlie could visualize in his mind what would become a beautiful new entrance and East Campus to Georgia Tech.”

I sent that speech to Charlie Brown last week, knowing he would enjoy remembering Buck. Charlie wrote back that “While he was praising me (talking about himself), Buck deserved the accolades, especially for Tech Square. It is true that a few of us got it going, Buck put it on the ground. It never would have happened without his management and negotiation skills.”

Little did anyone know that Buck’s health was failing fast.

In doing research for today’s celebration I came across a letter that Buck wrote from the Foundation Executive Committee to the trustees, providing an update. One paragraph summarizes the hours and expertise that the Foundation members gave to Georgia Tech, and gives insight into Buck’s work style:

“Your Executive Committee has followed the development of the project for 2 ½ years and we have exercised as much judgment, number-crunching, heated debate and discussion, what if’s and ‘why do you’s’ and now we submit to you our recommendation to finance the project as requested by Dr. Clough. The administration, faculty, students and alumni will be extremely proud of the final results when this project is in operation.”

If only he could see it now. I know Buck would have been proud to see what the dream of Tech Square has become if he could have lived to see this day, but he would have been uncomfortable receiving any of the credit. He was just that way. Mary Ann, we are very thankful for both of you.

SPECIAL THANKS

I would also like to mention two Georgia Tech employees who were instrumental to the success of the project, Bob Thompson (He is here), Tech's former chief administrative officer who Buck mentioned, and Steve Swant, Tech's executive vice president for Administration and Finance, who came to Tech in 1996 as associate vice president for Institute Budget and Planning. There are also many others who played strategic roles, including the Department of Transportation that transformed the Fifth Street Bridge, the City of Atlanta, the Metro Chamber, the Midtown Alliance, Kevin Green, and the Georgia Department of Economic Development, to name a few.

ATTRACTING NATIONAL ATTENTION

Last February *USA Today* ran a feature on Atlanta's aspirations to be an innovation hub. It cited that the National Venture Capital Association now ranks Atlanta as the No. 12 city in the nation for tech startups. And, Tech Square has played an amazing role.

Helping us move toward the top ten is the Enterprise Innovation Institute. EI₂ is Georgia Tech's primary business outreach organization, providing a comprehensive program of assistance to business, industry, entrepreneurs, and economic developers.

EI₂ accelerates start-up formation through education programs, assists start-ups through incubators, and amplifies commercialization impact through support programs.

ATLANTA'S STARTUP HUB

Georgia Tech's Advanced Technology Development Center, or ATDC, has helped launch more than 140 companies that, together, have created thousands of jobs and attracted more than \$2 billion in investment.

CENTERGY ONE

Today there are more than 40 companies in the Centergy One building in Tech Square, plus the Georgia Department of Economic Development.

Small businesses are core to our economic future, as they represent 97 percent of all employers and employ nearly half of the private sector workforce. By working with them, we're helping to create jobs in Georgia.

Large companies are also taking advantage of the resources and atmosphere of Tech Square. In August, AT&T opened the AT&T Foundry innovation center here, the fourth in the world. Georgia Tech and AT&T share a common focus on innovation and already partner in a number of areas. Other companies include Panasonic with their Automotive Innovation Center, GM, EY, formerly Ernst and Young, Penguin Computing, and ThyssenKrupp Elevator America. These companies are creating even greater opportunities for students and faculty while taking full advantage of the resources at Tech and participate in the exciting growth of Midtown as an innovation district.

ENVIRONMENT FOR INNOVATION

VentureLab, Tech's center for technology commercialization, is ranked No. 2 in the world by the University Business Incubator Index). Companies benefit from Flashpoint, Tech's startup accelerator program.

Last year, in recognition of El₂'s experience with commercialization the National Science Foundation named Georgia Tech a founding node of its Innovation Corps, or I-Corps network along with Stanford and the University of Michigan. El₂ commercialization specialists have already taught 75 NSF teams from around the country.

Just down the street in the Biltmore is Hypepotamus Atlanta, an organization that produces collaborative media and events to connect Atlanta tech startups with talent, corporations, and media outlets.

TECH SQUARE IN THE FUTURE

There is plenty of room for expansion, and we have no shortage of innovators and leaders to make it happen.

Georgia Tech's Institute for People and Technology, or IPaT, and GTRI are in ongoing discussions with Midtown Alliance about ways to expand partnerships, including turning Midtown into a "living laboratory" as part of its growth as an innovation district.

HIGH PERFORMANCE COMPUTING CENTER

The next big addition on the drawing board is a 600,000 square-foot high-performance computing center, which will serve Tech's academic research needs as well as modeling and simulation requirements for high-tech industries from biotech to banking. It would be a resource for private companies who need access to powerful but expensive computers. The infrastructure is already in place, and it would be an asset for Atlanta and the Southeast.

CLOSE

Tech Square offers the resources that start ups and established companies need, including Georgia Tech students who are being groomed to become innovators and leaders. We will continue to work with the Georgia Department of Economic Development, the city of Atlanta, the metro Chamber and others to attract business and industry to the area, and we will continue to be both proactive and responsive to meet their needs.

Technology Square is a high-energy hub, creating an exciting environment in which innovation can flourish. The mixed-use area is a testament to what is possible through

a partnership between higher education, the state, business and industry.

For four and a half of the ten years that Tech Square has been in existence, I've had the privilege of being at Georgia Tech. It is interesting to note that my first year here was 2009, when the country was in the midst of a stubborn economic downturn. In spite of that challenging economic environment, Tech Square continued to experience consistent growth. We anticipate that the momentum will continue.

Tech Square continues to be a magnet for high-tech innovators and entrepreneurs in the Southeast. We have big names and names that someday will be big, many with the help of Georgia Tech. This is just the beginning really, with the second phase about to begin.

A decade ago Wayne Clough commented, "It's not just a collection of buildings. It's not just a set of activities. Combined, it opens a new window on the future of a great institution."

I agree. I will add that it's not just a new window. It is a door of opportunity that is open wide.